

Wyeth, George

From: Virginia_Stephens@ceq.eop.gov
Sent: Wednesday, January 30, 2002 7:40 PM
To: George.Wyeth@hq.doe.gov
Subject: Oneta Power Plant Project



pic13182.pcx

could you please follow up?

----- Forwarded by Virginia Stephens/CEQ/EOP on
01/30/2002
07:46 PM -----

(Embedded
image moved Larry Izzo <lizzo@calpine.com>
to file: 01/30/2002 03:26:58 PM
pic13182.pcx)

Record Type: Record

To: Virginia Stephens/CEQ/EOP@EOP
cc:
Subject: Oneta Power Plant Project

I spoke with George Wieth, and he suggested I email a written summary of the request for assistance concerning the Oneta Energy Center Project.

Calpine Corporation is constructing a natural gas fired power plant in Broken Arrow, Oklahoma and is currently awaiting the Oklahoma State Discharge Permit, which is working its way through the office of EPA, and then must go out for public notice of draft and again for public notice of proposed permit. This process could take 3-5 months to complete.

The project started in November of 2000, with a expected completion date of Summer 2002. The construction of the intake structure for water from the Verdigris River and discharge into the Arkansas River is now on a critical path, and if the beginning of construction of that infrastructure had to wait for the completion of the state permitting, the project would be finished and have to wait up to another 5 months for operations.

Therefore, Calpine would like to know whether or not it

would be possible for the Corps of Engineers to issue a conditional permit, pending the completion of the state permitting process, with the understanding that if the state permit was disapproved, Calpine would remediate all work done on the water intake system at the Verdigris River.

The Corps of Engineer's office in Tulsa has indicated to Calpine that the Corps can not issue a conditional permit until all state permits are issued. Our experience has been that on some projects in other states in the past, the Corps has issued applicable project permits without waiting on the final issuance of other state or federally mandated permits required for the project.

Therefore, our question is whether or not regulations prohibit the Corps from issuing such a conditional permit, or whether or not the Corps can consider the issuance of this permit on the merits of the case. Your help on getting an answer to this regulatory question and any additional help in expediting the permit through the EPA would be appreciated.

Sincerely,
Larry Izzo
Senior Vice President
713-830-2027 (Office)
713-830-8799 (Fax)